



Roadmap for Washington State Financial and Administrative Policies, Process and Systems

Could-Be Business Process Focus Group Account/Fund Administration June 22, 2006 8:00 to Noon

AGENDA

1. Welcome and introductions	8:00	Kathy
2. Finalize as-is model: <ul style="list-style-type: none"> – Updated process scope and business objectives (see back of agenda) – Updated As-Is model – Updated current business challenges (see back of agenda) 	8:10	Derek
3. Clarify <i>Roadmap</i> direction	9:00	Kathy
BREAK	9:10	
4. Brainstorm benefits of an enterprise account/fund administration approach	9:20	Eclipse
5. Discuss Bold Ideas for Change What are ideas for Bold Change : <i>“Fundamental rethinking and redesign of business processes to achieve dramatic improvements in critical contemporary measures of performances such as quality, service and speed.”</i> Your recommendations will be presented with the following caveat: <i>The Roadmap vision and recommendations are intended as a starting point for discussion rather than definitive solutions. Additional research and extensive stakeholder involvement will be required to establish the feasibility of each recommendation, recommend policy revision language, if necessary, and support an executive level decision to move forward.</i> Examples of Bold Change ideas for account/fund administration, is it possible to: <ol style="list-style-type: none"> 1. Reduce the number of accounts/funds? 2. Provide flexibility to put higher than anticipated special purposes revenues to work? 3. Budget all funds (as either appropriated, continuously appropriated, or no appropriation required)? 4. Present “plain talk” information to the public about the budgeted and actual sources, uses and financial position for each fund (“popular reports”)? 	9:20	Eclipse
BREAK	10:00	
6. Review and revise the Could-Be Model	10:15	Eclipse
7. Next steps <ul style="list-style-type: none"> – Assignments – Follow-up #1 session, June 28, 8:00 – 12:00 PM, DIS Board Room – Follow-up #2 session, July 12, 8:00 – 12:00 PM, DIS Board Room – Process check 	11:45	Kathy



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Could-Be Business Process Model Focus Group General Ledger, Chart of Accounts, Financial Reporting

Account/Fund Administration Process Scope

Fund administration is the process of projecting, controlling and monitoring resources within established legal and budgetary constraints, funds, accounts, appropriations and allotments.

Business Objectives

- Demonstrate compliance and fiscal accountability for assets, liabilities, reserves, equity, revenues and expenses by fund and account.
- Monitor revenues and control expenses against agency and enterprise business plans, budgets and legislative intent by fund and account.
- Project revenues and expenses based on current trends and anticipated events.
- Ensure resource availability to address special purpose needs.

Current Account/Fund Structure

- Budgeted Funds

<i>Appropriated</i>	Allotted
<i>Non-Appropriated</i>	Allotted
- Non-Budgeted Funds

<i>Non-Appropriated</i>	Non-Allotted
<i>Continuously Appropriated</i>	Non-Allotted
<i>No Appropriation Authority Required</i>	Non-Allotted

DRAFT Current Business Challenges

Multi-Agency Funds

- Difficult for fund administrative agency to see other agency spending. They assume that the other agency will spend 100% of their budget but will not be necessarily aware of the rate of spending from the fund versus the fund's cash or book balance.
- Administration of "single agency" funds is much easier.

Reporting

- It is not possible to get a general ledger account transaction listings by fund.
- No trial balance, G/L, income statement by fund.

Control

- Cash balancing between AFRS, TM\$ and banks is difficult.
- There are no controls over who can book expenditures to a fund so occasionally transactions hit a fund in error.
- Funds are not necessarily related to current lines of business.
- Some funds are obsolete.
- Local fund data may not be recorded timely.



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- j) Expenditures are booked to state funds and later reimbursed from federal funds if appropriate. If the expenditures could be booked directly to federal funds as reimbursements, it would provide a more accurate picture of the fund book balance.

Budget

- k) Some non-budgeted funds should be allotted (e.g. COP reimbursement).
- l) There is no incentive for agency to save fund balance for future investments.
- m) Agencies are incented to spend all appropriated dollars (in non-capital program funds).
- n) Some fund allotments are for small amounts so the level of work to account for the budget at this level of detail may be greater than the value of the control (for example a fund with \$34,000 in a biennium).
- o) It is difficult to manage across-the-board budgetary increases and decreases to general fund accounts because fund revenues and expenditures are not linked and may be in multiple agencies.
- p) Agencies track re-appropriations off-line to extend across biennium. EA for whole project allotted only for biennium.
- q) Difficult to earmark revenues or fund balance (agency budgetary control for proprietary funds)